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SUBJECT: SPECIAL REPORT BY SENATOR KENNEDY.

ON CYPRUS RELEASED

- 1. FOLLOWING IS TEXT OF RELEASE BY OFFICE OF SENATOR KENNEDY AND EXCERPTS FROM STAFF REPORT PREPARED FOR THE USE OF SENATE SUB-COMMITTEE TO INVESTIGATE PROBLEMS CONNECTED WITH REFUGEES AND ESCAPEES OF THE COMMITTEE ON THE JUDICIARY. REPORT WAS RELEASED SUNDAY, JANUARY 18.
- 2. BEGIN TEXT OF RELEASE:
- --SENATOR EDWARD M. KENNEDY, CHAIRMAN OF THE SUBCOMMITTEE ON REFUGEES, TODAY CALLED ON PRESIDENT FORD "TO TAKE A MAJOR DIPLOMATIC INITIATIVE FOR THE RESUMPTION OF NEGOTIATIONS OVER CYPRUS.
- --"SINCE THE POPULE OF RELEASE 20047 101 F24: 61248DF 1810 2860R460300086042-2

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- NO PROGRESS HAS BEEN MADE ON CYPRUS. AND SO THE CREDIBILITY OF THE ADMINISTRATION IS STILL AT STAKE. AND THE PRESTIGE OF OUR COUNTRY IS STILL ON THE LINE.
 - -- THE ROUTINE PROMISES OF PROGRESS IN THE PAST HAVE BROUGHT LITTLE COMFORT TO THE REFUGEES AND DISTRESSED PEOPLE ON CYPRUS.
 - --"AND WHETHER OUR DIPLOMATS LIKE IT OR NOT, REAL PROGRESS TOWARD AN HONORABLE AND JUST RESOLUTION OF THE CYPRUS PROBLE IS ALSO CRUCIAL IN REPAIRING OUR TRADITIONALLY GOOD RELATION WITH THE PEOPLE AND GOVERNMENTS OF BOTH GREECE AND TURKEY, AND IN STABILIZING OUR SECURITY INTERESTS IN THE EASTERN MEDITERRANEAN. IT IS ILLUSORY TO ASSUME THAT THESE RELATIONS CAN BE FULLY REPAIRED AND OUR INTERESTS FULLY STABILIZED WITHOUT REAL PROGRESS ON CYPRUS.
 - --SENATOR KENNEDY SAID THAT "1976 MUST FINALLY BRING A NEW PRIORITY TO THE CYPRUS PROBLEM IN AMERICAN DIPLOMACY AND A NEW DETERMINATION BY OUR GOVERNMENT TO FACILITATE EAL PROGRESS IN NORMALIZING THE LIVES OF THE CYPRIOT PEOPLE.
 - --"THE IMPERATIVE FOR AMERICAN DIPLOMACY HAS RARELY BEEN MORE CLEAR, AND, IF WE FAIL TO ACT, SO TOO ARE THE DANGERS OF NEW CONFLICT ON CYPRUS AND THE THREAT OF FURTHER EROSIONS IN OUR RELATIONS AND INTERESTS IN THE EASTERN MEDITERRANEAN."
 - --SENATOR KENNEDY MADE HIS COMMENT IN RELEASING A PRE-LIMINARY SUBCOMMITTEE STAFF REPORT ON CYPRUS. THE REPORT IS BASED ON A RECENT FIELD STUDY AND ADDITIONAL INQUIRY. AMONG OTHER THINGS. THE REPORT STRESSED:
 - --1.) CYPRIOTS IN OCCUPIED AREAS "ARE NOT COMFORTABLE UNDER MILITARY OCCUPATION, IN PART BECAUSE ANKARA, HAS NOT 'DELIVERED THE GOODS,' AND THE CYPRIOT-TURKISH ECONOMY IS STAGNATING. THE CYPRIOT-TURKS...SEEM TO HAVE JOINED THEIR GREEK COMPATRIOTS IN THE SOUTH AS VICTIMS OF TURKISH AGRESSION AND OCCUPATION" --
 - --2.) THE BULK OF THE NEARLY 200,000 CYPRIOT-GREEK
 REFUGEES ARE STILL DEPENDENT ON INTERNATIONAL RELIEF
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ASSISTANCE, WHICH COSTS THE CYPRUS GOVERNMENT SOME \$77,000,000 ANNUALLY --

- --3.) BY WITHHOLDING OR DELAYING AMERICAN SUPPORT, U.S. EMBASSY OFFICIALS IN NICOSIA HAVE THROWN NEEDLESS ROAD-BLOCKS IN THE IMPLEMENTING OF U.N. SPONSORED REFUGEE PROJECTS ON CYPRUS --
- --4.) THE CYPRIOT-TURKISH LEADERSHIP HAS "FLAGRANTLY VIOLATED" LAST AUGUST'S U.N.-SPONSORED INTER-COMMUNAL AGREEMENT ON THE TREATMENT, PROTECTION, MOVEMENT, AND NORMALIZING OF LIFE AMONG CYPRIOT-GREEKS REMAINING IN THE OCCUPIED AREAS.
- --THE REPORT ALSO LISTS A SERIES OF RECOMMENDATIONS BY SENATOR KENNEDY FOR U.S. POLICY IN THE EASTERN MEDITERRANEAN INCLUDING THE FOLLOWING:
- --1.) OPPOSITION TO A THREATENED UNILATERAL DECLARATION OF INDEPENDENCE (UDI) BY THE CYPRIOT-TURKISH ADMINISTRATION"THE U.S. SHOULD MAKE CLEAR, NOW, THAT IT WILL NOT RECOGNIZE UDI...DIPLOMATIC EFFORTS MUST BE MADE TO DISSUADE THE CYPRIOT-TURKISH LEADERSHIP FROM PURSUING SUCH A POLICY, AND ANKARA FROM ENCOURAGING OR CONDONING IT" --
- 2--2.) "THE FORD ADMINISTRATION'S NEW POLICY OF LINKING.
 THE ALLOCATION OF FOREIGN ASSISTANCE FUNDS TO NATIONAL
 ACTIONS AND VOTING PATTERNS IN THE U.N. IS DISTURBING,
 AND SHOULD IN NO WAY AFFECT THE ALLOCATION OF NEEDED
 HUMANITARIAN ASSISTANCE TO THE PEOPLE AND GOVERNMENT
 OF CYPRUS" -- (THE RECENTLY ENACTED GENERAL FOREIGN AID
 ACT CONTAINS A KENNEDY AMENDMENT PROVIDING \$30,000,000
 FOR HUMANITARIAN PURPOSES ON CYPRUS) --
- --3.) "NO VIABLE SOLUTION TO THE CYPRUS PROBLEM OR LASTING PEACE IS POSSIBLE WITHOUT THE TIMELY AND PHASED WITH-DRAWAL OF TURKISH OCCUPATION FORCES AND ARMAMENTS. ESPECIALLY NOW, AT THIS CRUCIAL JUNCTURE OF THE CYPRUS PROBLEM, ANKARA SHOULD BEGIN THIS WITHDRAWAL PROCESS -- AS A GESTURE OF GOODWILL TO THE PE", LE OF CYPRUS AND AS A SIGN OF GOOD FAITH IN MEANINGFUL PROGRESS AT A NEW ROUND OF INTERCOMMUNAL TALKSOUNDER LINER TO THE PET TO T

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ACTIONS OF CYPRIOT THE OBSTRUCTIONIST ATTITUDES AND

TURKISH LEADERSHIP TOWARD "THE EARLY RESUMPTION OF INTERCOMMUNAL TALKS "MUST NOT BE PERMITTED TO PROLONG THE CYPRUS PROBLEM AND FURTHER AGGRAVATE AMERICA" AND OTHER NATIONS' INTERESTS AND RELATIONS....TURKEY, AS THE OCCUPYING POWER IN NORTHERN CYPRUS, CLEARLY HAS SOME INFLUENCE....TURKEY SHOULD MOVE FIRMLY AND EXPEDITIOUSLY..."

- 5.) THE RETURN OF CYPRIOT-GREEK REFUGEES TO THEIR HOMES, AND "FULL AND GENEROUS" COMPENSATION FOR THOSE WHO DO NOT
- -- END TEXT OF RELEASE
 3. BEGIN TEXT OF REPORT RECOMMENDATIONS:
- -- THE CYPRUS PROBLEM, AND AMERICAN POLICY TOWARD THIS

TROUBLING ISSUE, HAS REACHED A CRUCIAL PHASE. AND FOR THE PURPOSES OF THI" REPORT, THE SUBCOMMITTEE CHAIRMAN MAKES THE FOLLOWING RECOMMENDATIONS RELATING TO THE HUMAN AND POLITICAL TRAGEDY OF CYPRUS.

- 1. THE CYPRUS PRIORITY IN REPAIRING U.S. RELATIONS WITH GREECE AND TURKEY
- --WHETHER AMERICAN DIPLOMATS LIKE IT OR NOT, REAL PROGRESS TOWARD AN HONORABLE AND JUST RESOLUTION OF THE CYPRUS PROBLEM IS CRUCIAL IN REPAIRING OUR TRADITIONALLY GOOD RELATIONS WITH THE PEOPLE AND GOVERNMENTS OF BOTH GREECE AND TURKEY, AND IN STABILIZING OUR SECURITY INTERESTS IN THE EASTERN MEDITERRANEAN. IT IS ILLUSORY TO ASSUME THAT THESE RELATIONS CAN BE FULLY REPAIRED AND OUR INTERESTS FULLY STABILIZED WITHOUT REAL PROGRESS ON CYPRUS.
- --MOREOVER, THE ROUTINE PROMISES OF PROGRESS IN THE PAST HAVE BROUGHT LITTLE COMFORT TO THE REFUGEES AND DIS-STRESSED PEOPLE ON CYPRUS. THEIR PLIGHT REMAINS UNCHANGED.

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THE LIVES OF THE CYPRIOT PEOPLE. AS THE PRESIDENT REPORTED TO CONGRESS ON DECEMBER 8, 1974: ANY FURTHER DELAY "IN RESUMING THE INTER-COMMUNAL TALKS WILL HARDEN ATTITUDES AND MAKE FUTURE PROGRESS MORE DIFFICULT."

- --THE IMPERATIVE FOR AMERICAN DIPLOMACY HAS RARELY BEEN MORE CLEAR, AND, IF WE FAIL TO ACT, SO TOO ARE THE DANGERS OF NEW CONFLICT ON CYPRUS AND THE THREAT OF FURTHER EROSIONS IN OUR RELATIONS AND INTERESTS IN THE EASTERN MEDITERRANEAN.
- --2. RESTORATION OF THE FULL INDEPENDENCE, SOVEREIGNTY AND TERRITORIAL INTEGRITY OF CYPRUS
- --DESPITE THE STUBBORN OCCUPATION OF NORTHERN CYPRUS BY TURKISH FORCES, THE DE FACTO PARTITION OF THE ISLAND, AND THE PRONOUNCED DRIFT TOWARD THE CREATION OF A QUASISTATE IN THE OCCUPIED AREAS, THE RESTORATION OF THE FULL INDEPENDENCE, SOVEREIGNTY, AND TERRITORIAL INTEGRITY OF CYPRUS MUST BE A FUNDAMENTAL OBJECTIVE OF AMERICAN POLICY AND DIPLOMACY.
- --NO OTHER GOAL BETTER SATISFIES JUSTICE OR THE BRINGING OF PEACE AND RELIEF TO THE UNHAPPY PEOPLE OF CYPRUS --BOTH CYPRIOT-GREEKS AND CYPRIOT TURKS.
- --AS NOTED IN THIS REPORT, THERE HAVE BEEN RECENT REAFFIR-MATIONS OF THIS CARDINAL POINT BY PRESIDENT FORD AND SECRETARY OF STATE KISSINGER. THIS IS AN ENCOURAGING DEVELOPMENT, AND FULLY REFLECTS NUMEROUS UNITED NATIONS RESOLUTIONS SINCE 1974, INCLUDING THE GENERAL ASSEMBLY RESOLUTION OF NOVEMBER 20, 1975.
- --3. OPPOSITION TO A UNILATERAL DECLARATION OF INDEPENDENCE BY THE CYPRIOT TURKISH ADMINISTRATION
- --THE CYPRIOT-TURKISH LEADERSHIP THREATENS TO DECLARE THE TURKISH-OCCUPIED AREA OF CYPRUS AS AN INDEPENDENT, SOVEREIGN STATE.
- --GIVEN ITS RECORD OF FULFILLING OTHER THREATS OVER THE Approved For Release 2004/10/12 CLA-RDP78M02660R000300080042-2

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PAST EIGHTEEN MONTHS -- INCLUDING THE CREATING OF THE TURKISH FEDERATED STATE OF CYPRUS IN FEBRUARY 1975 -- THE RECKLESS THREAT OF A UNILATERAL DECLARATION OF INDEPENDENCE MUST BE TAKEN WITH SOME DEGREEOF SERIOUSNESS.

--A UNILATERAL DECLARATION OF INDEPENDENCE WOULD CLEARLY VIOLATE THE PUBLICLY STATED POLICY OF ANKARA AND WOULD NOT BE IN THE BEST INTERESTS OF THE CYPRIOT PEOPLE. IT WOULD ALSO THREATEN NEEDLESS VIOLENCE AND CONFLICT, AND WOULD ENORMOUSLY COMPLICATE ANY SUBSEQUENT EFFORTS TO REUNIFY THE ISLAND,

--THE UNITED STATES SHOULD MAKE CLEAR, NOW, THAT IT WILL NOT RECOGNIZE A UNILATERAL DECLARATION OF INDEPENDENCE BY THE CYPRIOT-TURKISH LEADERSHIP, AND WILL ACTIVELY OPPOSE ITS RECOGNITION BY OTHER NATIONS. DIPLOMATIC EFFORTS MUST BE MADE TO DISSUADE THE CYPRIOT-TURKISH LEADERSHIP FROM PURSUING SUCH A POLICY AND ANKARA FROM ENCOURAGING OR CONDONING IT.

- --4. SUPPORT FOR IMPLEMENTING INTER-COMMINAL AGREEMENTS AND THE RESUMPTION OF INTER-COMMINAL TALKS
- --THE UNITED STATES, IN CONCERT WITH OTHERS, MUST USE ITS INFLUENCE AND GOOD OFFICES WITH THRKEY TO PERSHADE ANKARA TO GIVE ITS FULL AND ACTIVE SUPPORT TO THE IMPLEMENTING OF INTERCOMMUNAL AGREEMENTS AND THE RESUMPTION OF INTER-COMMUNAL TALKS UNDER U.N. AUSPICES.
- --IN GOOD FAITH THE CYPRIOT-GREEK LEADERSHIP, THE GOVERNMENT OF CYPRUS, HAS NEGOTIATED WITH THE CYPRIOT-TURKISH LEADER-SHIP OVER THE RESOLUTION OF INTER-COMMUNAL PROBLEMS AND THE FUTURE OF CYPRUS, AND THE GOVERNMENT OF CYPRUS IS PRE-PARED FOR AN EARLY RESUMPTION OF THESE NEGOTIATIONS UNDER

U.N. AUSPICES.

--THE SAME CANNOT BE SAID, HOWEVER, FOR THE CYPRIOT-TURKISH LEADER SHIP AND THE GOVERNMENT IN ANKARA. FOR ONE THING, THE CYPRIOT-TURKISH LEADER SHIP HAS FLAGRANTLY VIOLATED LAST AUGUST'S INTER-COMMUNAL AGREEMENT ON THE TREATMENT, PROTECTION, MOVEMENT AND NORMALIZING OF LIFE AMONG BOTH Approved For Release 2004/10/12; CIA-RDP78W02660R000300080042-2

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CYPRIOT-GREEKS AND CYPRIOT-TURKS.

- --THE AGREEMENT, CONCLUDED IN VIENNA UNDER UN AUSPICES, IN PART PROVIDED FOR THE FREE MOVEMENT TO THE OCCUPIED AREAS OF CYPRIOT-TURKS RESIDING IN GOVERNMENT CONTROLLED AREAS, AND FOR THE PROTECTING AND NORMALIZING OF LIFE AMONG CYPRIOT-GREEKS REMAINING IN THE OCCUPIED AREAS.
- --THE GOVERNMENT OF CYPRUS SCRUPULOUSLY CARRIED OUT ITS PART OF THE AGREEMENT, AND TODAY ALL BUT A HANDFUL OF CYPRIOT-TURKS LIVE IN THE OCCUPIES AREAS. BUT THE CONDITION OF CYPRIOT-GREEKS REMAINING IN THE OCCUPIED AREAS HAS STEADILY DETERIORATED, AND THE CYPRIOT-TURKISH LEADERSHIP HAS DECLARED THE AGREEMENT NULL AND VOID.
- --THE SITUATION NOT ONLY CALLS INTO QUESTION THE GOOD FAITH OF THE CYPRIOT-TURKISH LEADERSHIP IN NEGOTIATING THE AGREE-MENT, BUT ALSO RAISES TROUBLING QUESTIONS OVER ANKARA'S INTENT ON CYPRUS.
- THE OBSTRUCTIONIST ATTITUDES AND ACTIONS DISPLAYED BY THE CYPRIOT-TURKISH LEADERSHIP TOWARD THE IMPLEMENTATION OF SOME PAST AGREEMENTS AND UNDERSTANDINGS WITH THE CYPRUS GOVERNMENT -- AND TOWARD THE EARLY RESUMPTION OF INTER-COMMUNAL TALKS -- MUST NOT BE PERMITTED TO PROLONG THE CYPRUS PROBLEM AND FURTHER AGGRAVATE AMERICA'S AND OTHER NATIONS' INTERESTS AND RELATIONS IN THE EASTERN MEDITERRA-NEAN.
- --TURKEY, AS THE OCCUPYING POWER IN NORTHERN CYPRUS, CLEARLY HAS SOME INFLUENCE OVER THE ATTITUDES AND ACTIONS OF THE CYPRIOT-TURKISH LEADERSHIP. ANKARA SHOULD MOVE FIRMLY AND EXPEDITIOUSLY TO PROMOTE THE CYPRIOT-TURKISH LEADERSHIP'S IMPLEMENTATION OF SOLEMN AGREEMENTS WITH THE GOVERNMENT OF CYPRUS, CONCERNING CYPRIOT-GREEKS IN THE OCCUPIED AREAS, AND TO PROMOTE AS WELL THE VERY EARLY RESUMPTION OF INTER-COMMUNAL TALKS UNDER U.N. AUSPICES AND MEANINGFUL PROGRESS TOWARD A JUST AND HONORABLE RESOLUTION OF THE CYPRUS PROBLEM.
- BETTER EVIDENCE THAT IT IS SERIOUSLY WORKING TO ACCOMPLISH
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THESE ENDS.

- -- 5. IMMEDIATE WITHDRAWAL OF TURKISH FORCES
- --THE HEAVY PRESENCE OF TURKISH FORCES ON CYPRUS, AND OTHER FACTORS ASSOCIATED WITH TURKEY'S CONSOLIDATION OF ITS POSITION IN THE OCCUPIED AREAS OF THE ISLAND, IS IMPEDING MEANINGFUL INTER-COMMUNAL NEGOTIATIONS AND A RESOLUTION OF THE CYPRUS PROBLEM.
- --IN THE SPIRIT OF THE GENEVA DECLARATION OF JULY 30, L9 1974 -- AGREED TO BY GREECE AND TURKEY -- AND THE NUMEROUS UNITED NATIONS RESOLUTIONS ON CYPRUS, TURKEY SHOULD IMMEDIATELY BEGIN THE WITHDRAWAL OF SUBSTANTIAL NUMBER OF ITS OCCUPATION FORCES ON THE ISLAND.
- --NO VIABLE SOLUTION TO THE CYPRUS PROBLEM OR LASTING PEACE IS POSSIBLE WITHOUT THE TIMELY AND PHASED WITHDRAWAL OF TURKISH OCCUPATION FORCES AND ARMAMENTS. ESPECIALLY NOW, AT THIS CRUCIAL JUNCTURE OF THE CYPRUS PROBLEM, ANKARA SHOULD BEGIN THIS WITHDRAWAL PROCESS -- AS A GESTURE OF GOODWILL TO THE PEOPLE OF CYPRUS AND AS A SIGN OF GOOD FAITH IN MEANINGFUL PROGRESS AT A NEW ROUND OF INTER-COMMUNAL TALKS UNDER U.N. AUSPICES.
- --6. A BASIC PRINCIPLE: THE RETURN OF REFUGEES TO THEIR HOMES
- --THE PLIGHT AND FATE OF THE CYPRIOT-GREEK REFUGEES -- WHO WERE DRIVEN FROM THEIR HOMES AND DEPRIVED OF THEIR LIVE-LIHOODS DURING THE TURKISH INVASION OF 1974 -- REMAINS CENTRAL TO THE RESOLUTION OF THE CYPRUS ISSUE. A VIABLE AND JUST SOLUTION TO THE CYPRUS PROBLEM WILL NOT BE FOUND UNLESS AND UNTIL THE BASIC PRINCIPLE OF THE RIGHT OF REFUGEES TO RETURN TO THEIR LANDS AND HOMES, OR TO BE FULLY COMPENSATED FOR THEIR LOSSES, IS RECOGNIZED BY ALL PARTIES CONCERNED.
- --DURING THE PAST YEAR AND A HALF, THE ISSUE OF CYPRIOT-GREEK REFUGEES RETURNING TO THEIR HOMES HAS BEEN INCREASING-LY COMPLICATED BY EVENTS ON THE ISLAND, SUCH AS THE MASS Approved For Release 2004/10/12: CIA-RDP78M02660R000300080042-2

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MOVEMENT OF VIRTUALLY ALL CYPRIOT-TURKS, WHO RESIDED IN GOVERNMENT-CONTROLLED TERRITORY, TO THE OCCUPIED AREAS IN THE NORTHERN PART OF THE ISLAND. MOST OF THESE CYPRIOT-TURKS HAVE MOVED INTO HOUSES BELONGING TO CYPRIOT-GREEK FAMILIES WHO ARE NOW REFUGEES IN THE SOUTH.

-- THE RETURN OF REFUGEES TO THEIR HOMES IS FURTHER COMPLI-CATED BY THE "COLONIZATION" OF THE OCCUPIED AREAS BY MAIN-

LAND TURKS, TRANSPORTED FROM TURKEY, OR BY THIRD COUNTRY NATIONALS, SUCH AS PAKISTANI LABORERS. THIS CONTINUING POPULATION MOVEMENT FROM MAINLAND TURKEY THREATENS TO ALTER DRAMATICALLY THE DEMOGRAPHIC PATTERNS OF CYPRUS. REGRETTABLY, THE UNITED STATES AND OTHERS HAVE BEEN REMISS IN FAILING TO SPEAK OUT STRONGLY AGAINST THIS APPARENT "COLONIZATION" POLICY OF THE TURKISH GOVERNMENT IN ANKARA.

- --HOWEVER, DESPITE SUCH DEVELOPMENTS, THE PRINCIPLE OF THE RIGHT OF THE RETURN OF CYPRIOT-GREEK REFUGEES TO THEIR HOMES MUST BE REAFFIRMED, AS WELL AS THE COROLLARY PRINCIPLE OF FULL AND GENEROUS COMPENSATION FOR THOSE WHO DO NOT RETURN HOME. THESE PRINCIPLES ARE CENTRAL TO ANY MEANINGFUL NEGOTIATIONS OF THE CYPRUS QUESTION, AND THE UNITED STATES MUST GIVE THEM FULL SUPPORT.
- -- 7. RELIEF, REHABILITATION AND RECOVERY ASSISTANCE TO CYPRUS
- --THE UNITED STATES MUST GENEROUSLY SUPPORT INTERNATIONAL EFFORTS TO HELP MEET RELIEF, REHABILITATION, AND RECOVERY NEEDS ON CYPRUS.
- --OVER THE PAST 18 MONTHS, THE UNITED STATES HAS RESPONDED COMMENDABLY TO INTERNATIONAL HUMANITARIAN APPEALS FROM THE INTERNATIONAL COMMITTEE OF THE RED CROSS AND THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES. AND THE RECENTLY ENACTED INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975 INCLUDES AN AMENDMENT, OFFERED BY THE CHAIRMAN OF THE REFUGEE SUBCOMMITTEE, AUTHORIZING AN ADDITIONAL \$30,000,000 FOR HUMANITARIAN PURPOSES ON CYPRUS.

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- -- WITH THE PASSAGE OF TIME, REQUESTS FOR HUMANITARIAN ASSISTANCE BY CYPRIOT AUTHORITIES HAVE INCREASINGLY SHIFTED FROM THE GENERAL RELIEF TO THE REHABILITATTION AND RECOVERY AREAS. SPECIAL EMPHASIS IS BEING PUT ON MEASURES AND PROPOSALS TO ASSIST DISPLACED AND NEEDY PERSONS IN REGAINING A DEGREE OF ECONOMIC SELF-SUFFICIENCY. THE SHATTERING EFFECT THE TURKISH INVASION AND OCCUPATION HAVE HAD ON THE ECONOMY OF CYPRUS IS WELL DOCUMENTED, AND SO TOO ARE THE REHABILITATION AND RECOVERY NEEDS OF THE PEOPLE AND GOVERNMENT OF CYPRUS.
- --U.S. FUNDS ALLOCATED TO CYPRUS SHOULD BE ON A GRANT BASIS, PREFERABLY THROUGH INTERNATIONAL CHANNELS, AND THEIR USE SHOULD BE FLEXIBLE AND REFLECT THE CHANGING PATTERS OF NEED ON THE ISLAND.
- --THE FORD ADMINISTRATIONS'S NEW POLICY OF LINKING THE ALLOCATION OF FOREIGN ASSISTANCE FUNDS TO NATIONAL ACTIONS AND VOTING PATTERNS AT THE U.N., IS A DISTURBING POLICY, AND SHOULD IN NO WAY AFFECT THE ALLOCATION OF NEEDED HUMANITARIAN ASSISTANCE TO THE PEOPLE AND GOVERNMENT OF CYPRUS. END TEXT.
- 4. BEGIN TEXT OF PORTION OF REPORT ON US POLICY:
- -- 2. EARLY 1975: FALSE HOPES AND NEGLECT OF CYPRUS
- --ALTHOUGH NO PROGRESS WAS MADE TOWARD A SOLUTION OF THE CYPRUS PROBLEM IN THE FALL AND WINTER OF 1974, THE IMPENDING CONGRESSIONAL CUT-OFF OF FURTHER MILITARY ASSISTANCE TO TURKEY -- WHICH WAS TO TAKE EFFECT ON FEBRUARY 5, 1975 -- LED TO A DISCERNIBLE RISE IN THE TEMPO OF UNITED STATES DIPLOMATIC ACTIVITY OVER CYPRUS. PRODDED BY CONGRESS AND THE THREAT OF AN EMBARGO ON MILITARY ASSISTANCE TO TURKEY, THE ADMINISTRATION WAS APPARENTLY DETERMINED TO FIND NEW RAYS OF HOPE OVER THE PROSPECTS FOR PROGRESS ON THE CYPRUS ISSUE.
- -- IN A JANUARY 6, 1975 LETTER TO THE CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, SECRETARY KISSINGER STATED:

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----FORTUNATELY, SOME PROGRESS HAS BEEN MADE IN RECENT WEEKS TOWARD GETTING SUBSTANTIVE NEGOTIATIONS UNDERWAY. I HAD GOOD TALKS IN BRUSSELS ON DECEMBER 11-13 WITH THE GREEK AN TURKISH FOREIGN MINISTERS WHICH LED IN TURN TO THE RESUMPTIO OF DISCUSSIONS BETWEENTHE REPRESENTATIVES OF THE TWO COMMUNITIES ON CYPRUS ON DECEMBER 19. THEY ARE NOW WORKING TO RESOLVE ONE FINAL POINT SO THAT POLITICAL NEGOTIATIONS CAN BEGIN. IN LIGHT OF THESE DEVELOPMENTS, I BELIEVE WE HAVE PROGRESSED BEYOND THE POINT WHERE GESTURES ARE NEEDED AS A MEANS OF GETTING NEGOTIATIONS LAUNCHED.

--SHORTLY THEREAFTER -- AND IN LIGHT OF THE IMPENDING FEBRUARY 5 EMBARGO ON MILITARY ASSISTANCE TO TURKEY, WHICH THE ADMINISTRATION HOPED TO CHANGE -- ADMINISTRATION SPOKESMEN ASSURED MEMBERS OF THE SUBCOMMITTEE AND OTHERS THAT SOME PROGRESS WAS BEING MADE ON CYPRUS. WHILE THEY DID NOT ANTICIPATE AN EARLY OVERALL RESOLUTION OF THE PROBLEM, THEY STRONGLY BELIEVED THAT MEANINGFUL STEPS WOULD BE TAKEN BY EARLY FEBRUARY. IN FACT THEY ANTICIPATED AN EARLY ANNOUNCEMENT OF AN AGREEMENT TO REOPEN THE NICOSIA AIRPORT, WHICH HAD BEEN CLOSED THE PREVIOUS JULY, AND EXPRESSED STRONG HOPES FOR THE REOPENING OF THE

TURKISH OCCUPIED PORT OF FAMAGUSTA, A MEANINGFUL REDUCTION OF TURKISH FORCES ON THE ISLAND, AND THE RETURN OF SEVERAL THOUSANDS OF GREEK CYPRIOT REFUGEES TO THEIR HOMES.

--BUT SUCH MEANINGFUL STEPS NEVER OCCURRED. IN FACT, NOTHING HAPPENED. RATHER THAN FLEXIBILITY ON THE PART OF TURKEY, NEW INTRANSIGENCE WAS DISPLAYED. NO AIRPORT WAS OPENED. NO REFUGEES RETURNED HOME. TURKEY NOT ONLY CONTINUED ITS CONSOLIDATION ON CYPRUS, BUT ON FEBRUARY 13TH TURKISH CYPRIOTS PROCLAIMED AN AUTONOMOUS REPUBLIC IN THE NORTHERN PART OF THE ISLAND. IN THE MEANTIME, OF COURSE, U.S MILITARY ASSISTANCE TO TURKEY CAME TO A HALT.

--ADMINISTRATION OFFICIALS, WHO WEEKS BEFORE HAD RAISED HOPES AND PROMISED MEANINGFUL PROGRESS TOWARD AN EVENTUAL SOLUTION OF THE CYPPUS PROBLEM, SUDDENLY SHUNTED THE ISSUE TO ONE SIDE AND BEGAN TO CONCENTRATE INSTEAD ON BI-LATERAL RELATIONS WITH TURKEY AND NATIONAL SECURITY ISSUES ASSOCIATED WITH ARMS AID TO TURKEY. THERE WERE REPEATED Approved For Release 2004/10/12; CIA-RDP78M02660R000300080042-2

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REQUESTS MADE TO CONGRESS BY BOTH THE PRESIDENT AND THE SECRETARY OF STATE TO OVERTURN THE ARMS EMBARGO. IN THE PROCESS, HOWEVER, THEY ALLOWED THE CENTRAL ISSUE OF CYPRUS TO SLIDE INTO THE BACKGROUND. YET CYPRUS WAS THE ISSUE WHICH GAVE RISE TO THE CUT-OFF OF ARMS IN THE FIRST PLACE. AND IT COULD NOT BE IGNORED.

- --3. LATE L975: THE PROMISE OF NEW INITIATIVES AND A REPORT TO CONGRESS -- LAST JULY 31, BY A MARGIN OF ONE VOTE, THE SENATE APPROVED A PARTIAL LIFTING OF THE ARMS EMBARGO ON TURKEY. THE HOUSE OF REPRESENTATIVES, BY A WIDER MARGIN, FOLLOWED SUIT ON OCTOBER 2. THERE WERE, UNDOUBTEDLY, MANY REASONS FOR THE ACTION BY CONGRESS -- INCLUDING A NEW FOCUS ON THE CYPRUS PROBLEM BY ADMINISTRATION SPOKESMEN, AND THE CONSTANTLY REPEATED ARGUMENT THAT NEW AMERICAN INITIATIVES ON CYPRUS AND FLEXIBILITY IN THE TURKISH POSITION WERE ABSOLUTELY DEPENDENT ON CONGRESSIONAL ACTION TO RESUME AMERICAN MILITARY ASSISTANCE TO ANKARA.
- --THE NEW FOCUS ON THE CYPRUS PROBLEM WAS SHOWN BEST IN SECRETARY OF STATE KISSINGER'S SEPTEMBER 22ND SPEECH TO THE 30TH SESSION OF THE U.N. GENERAL ASSEMBLY, WHERE HE STATED THE FOLLOWING:
- -- "THE CONTRIBUTION OF THE UNITED NATIONS TO THE PROCESS OF PEACE IS ESSENTIAL IN CYPRUS AS WELL. THE SECRETARY GENERAL HAS THE RESPONSIBILITIES OF ORGANIZING THE PEACE-KEEPING FORCES ON THE ISLAND AND OF FACILITATING THE

TALKS BETWEEN THE LEADERS OF THE GREEK AND TURKISH COMMUNI-TIES.

- --STRICT MAINTENANCE OF THE CEASE-FIRE IS IMPERATIVE. THIS WE LOOK TO THE RESTRAINT OF THE PARTIES AND THE EFFICACY OF THE U.N. PEACEKEEPING FORCES.
- --WE KNOW THAT THE WORLD COMMUNITY SHARES OUR SENSE OF URGENCY THAT THE NEGOTIATING PROCESS BE RESUMED AND THAT THE PARTIES DEMONSTRATE FLEXIBILITY AND STATES-MANSHIP. THE STATUS QUO ON THE ISLAND MUST NOT BECOME PERMANENT; A RAPID AND EQUITABLE SOLUTION IS ESSENTIAL Approved For Release 2004/10/12 : GIA-RDP78M02660R000300080042-2

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THE SECRETARY GENERAL HAS WORDED TIRELESSLY AND IMAGINATIVELY UNDER THE MOST DIFFICULT CIRCUMSTANCES TO NARROW THE DIFFERENCES. HE DESERVES THE FULL SUPPORT OF THE PARTIES AND OF EVERY NATION HERE.

--THE DETAILS OF A CYPRUS SETTLEMENT ARE FOR THE TWO COMMUNITIES THEMSELVES TO DECIDE. HOWEVER, IN KEEPING WITH U.N. RESOLUTIONS WHICH THE UNITED STATES HAS FULLY SUPPORTED, THE FOLLOWING PRINCIPLES ARE ESSENTIAL:

--- A SETTLEMENT MUST PRESERVE THE INDEPENDENCE, SOVEREIGNTY, AND TERRITORIAL INTEGRITY OF CYPRUS.

TURKISH CYPRIOT COMMUNITIES CAN LIVE IN FREEDOM AND HAVE A LARGE VOICE IN THEIR OWN AFFAIRS.

THE PRESENT DIVIDING LINES CANNOT BE PERMANENT. THERE MUST BE AGREED TERRITORIAL ARRANGEMENTS WHICH REFLECT THE ECONOMIC REQUIREMENTS OF THE GREEK CYPRIOT COMMUNITY AND TAKE ACCOUNT OF ITS SELF-RESPECT.

--- THERE MUST BE PROVISION FOR THE WITHDRAWAL OF FOREIGN MILITARY FORCES OTHER THAN THOSE PRESENT HINDER THE AUTHORITY OF INTERNATIONAL AGREEMENTS.

---- AND THERE MUST BE SECURITY FOR ALL CYPRIOTS;
THE NEEDS AND WISHES OF THE REFUGEES WHO HAVE BEEN THE
PRINCIPAL VICTIMS AND WHOSE TRAGIC PLIGHT TOUCHES US ALL
MUST BE DEALT WITH SPEEDILY AND WITH COMPASSION.

--THESE GOALS MATCH THE ASPIRATIONS OF THE OVERWHELMING MAJORITY OF THE CYPRIOT PEOPLE AS WELL AS THE INTERESTS OF ALL NEIGHBORING STATES."

-- THE SECRETARY'S STATEMENT WAS GENERALLY WELL RECEIVED;

AND FOR MANY OBSERVERS IT SUGGESTED A NEW DETERMINATION BY OUR GOVERNMENT TO HELP RESOLVE THE CYPRUS PROBLEM.

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DEPARTURE FROM THAT OF EARLIER STATEMENTS -- PARTICULARLY IN ITS STRESS ON THE HUMAN TRAGEDY PRODUCED BY THE TURKISH INVASION IN 1974. AND ONE CAN ONLY WONDER ABOUT THE COURSE OF EVENTS IF THE SECRETARY'S STATEMENT HAD BEEN MADE IN THE EARLIER STAGES OF THE CYPRUS CRISIS.

--WITH THE CONGRESSIONAL ACTION ON MILITARY AID TO THRKEY SHORTLY THEREAFTER. THE SLATE WAS WIPED CLEAN, AND, ON ITS OWN TERMS, THE ADMINISTRATION WAS GIVEN A NEW OPPORTUNITY TO PROVE ITS GOOD FAITH ON THE CYPRUS ISSUE. IN SIGNING THE LEGISLATION ON OCTOBER 3, THE PRESIDENT PLEDGED "A MAJOR EFFORT TO ENCOURAGE RESUMPTION OF THE CYPRUS NEGOTIATIONS...." AND, IN ACCORDANCE WITH THE LEGISLATION, HE ALSO PLEDGED A REPORT IN 60 DAYS "ON PROGRESS MADE IN REACHING A SOLUTION TO THE CYPRUS PROBLEM."

- --WITH AMERICAN PRESTIGE FIRMLY COMMITTED TO HELPING ACHIEVE A JUST AND HONORABLE RESOLUTION OF THE CYPRUS PROBLEM, THE ISSUE BEFORE THE PRESIDENT AND THE SECRETARY OF STATE WAS HOW TO MOVE BEYOND PROMISING STATEMENTS TO SUBSTANTIVE PROGRESS. THE FIRST TEST WAS THE PRESIDENT'S INITIAL REPORT TO CONGRESS.
- -- THE FIRST REPORTING DATE WAS DECEMBER 8, 1975, WHEN THE PRESIDENT'S MESSAGE ON "PROGRESS IN CYPRUS NEGOTIATIONS" WAS RECEIVED BY CONGRESS. AFTER LISTING A NUMBER OF INITIATIVES UNDERTAKEN BY THE ADMINISTRATION, THE PRESIDENT CONCLUDED:
- --- THESE INITIATIVES HAVE NOT PRODUCED A MAJOR BREAKTHROUG BUT TAKEN TOGETHER THEY HAVE ADVANCED PROSPECTS FOR A NEGO-TIATED SETTLEMENT. A NEW APPRECIATION NOW EXISTS IN ATHENS, ANKARA, AND NICOSIA THAT DELAY IN RESUMING THE INTERCOMMUAL TALKS WILL HARDEN ATTITUDES AND MAKE FUTURE PROGRESS MORE DIFFICULT. IN EACH CAPITAAL, THERE IS A DESIRE TO BEGIN ANEW AN EARNEST SEARCH FOR A SOLUTION. EACH PARTY ALSO HAS A REALISTIC UNDERSTANDING OF WHAT IT MUST DO TO MAKE PROGRESS POSSIBLE.
- --ALTHOUGH THE PRESIDENT INDICATED "WE HAVE SEEN, AS HAVE OUR PRINCIPAL WESTERN ALLIES, A NARROWING OF DIFFERENCES ON MOST OF THE KEY ISSUES NECESSARY TO NEGOTIATE A CYPRUS SOLUTION," EFFORTS TO ACTUALLY SCHEDULE TALKS HAD PROVEN Approved For Release 2004/10/12: CIA-RDP78M02660R000300080042-2

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ELUSIVE."

- --THUS, WHILE THE PRESIDENT STATED THAT ANOTHER "IMPORTANT BEGINNING HAS BEEN MADE IN THE PAST SIXTY DAYS," THE FACT REMAINED THAT NOTHING NEW HAD REALLY BEEN ACHIEVED. AND SO, THE YEAR PASSED FOR CYPRUS.
- --4. 1976: THE CRUCIAL YEAR FOR PEACE
- --THE NEW YEAR USHERED IN LITTLE OPTIMISM OVER EARLY PROGRESS ON CYPRUS. THE CREDIBILITY OF THE ADMINISTRATION IS STILL AT STAKE. THE PRESTIGE OF OUR COUNTRY IS STILL ON THE LINE.
- --AMONG OTHER THINGS, TURKEY SEEMS MORE INTERESTED IN BASE ARRANGEMENTS AND MILITARY ASSISTANCE, AND, INCREDUOUSLY, NOW SEEMS TO CONDITION MOVEMENT ON CYPRUS ON A RESOLUTION OF THESE BI-LATERAL PROBLEMS, WHICH WERE PRODUCED BY THEIR INVASION OF THE ISLAND. INTER-COMMUNAL NEGOTIATIONS BETWEEN THE GOVERNMENT OF CYPRUS AND THE CYPRIOT TURKISH ADMINISTRATION ARE AT AN IMPASSE. THE CYPRIOT TURKISH LEADERSHIP HAS FLAGRANTLY VIOLATED INTER-COMMUNAL AGREEMENTS CONCLUDED UNDER U.N. AUSPICES, AND IS ISSHING NEW ULTIMATUMS AND THREATS -- INCLUDING A UNILATERAL DECLARATION OF INDEPENDENCE.
- --THERE IS THE VERY REAL POSSIBILITY OF RENEWED CONFLICT ON CYPRUS, AND AN EVEN FURTHER DETERIORATION IN AMERICAN RELATIONS WITH GREECE AND TURKEY. THERE IS ALSO THE VERY REALY POSSIBILITY THAT CONGRESS WILL AGAIN FIND IT NECESSARY TO EVALUATE OUR NATION'S CONTINUED RELATION-SHIP WITH TURKEY.
- --WHETHER OUR DIPLOMATS LIKE IT OR NOT, REAL PROGRESS
 TOWARD AN HONORABLE AND JUST RESOLUTION OF THE CYPRUS
 PROBLEM IS CRUCIAL IN REPAIRING OUR TRADITIONALLY GOOD
 RELATIONS WITH THE PEOPLE AND GOVERNMENTS OF BOTH GREECE
 AND TURKEY, AND IN STABILIZING OUR SECURITY INTERESTS IN
 THE EASTERN MEDITERRANEAN. IT IS ILLUSORY TO ASSUME THAT
 THESE RELATIONS CAN BE FULLY REPAIRED AND OUR INTERESTS
 FULLY STABILIZED WITHOUT REAL PROGRESS ON CYPRUS. UNTIL
 THIS PROGRESS IN THE PROGRESS OF CYPRUS. UNTIL

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PARTICULARLY STRAINED. THIS FACT IS RECOGNIZED BY ADMINISTRATION SPOKESMEN, AND SECRETARY KISSINGER HAS ACKNOWLEDGED THAT THE CYPRUS QUESTION, IF NOT RESOLVED, WILL GO TO THE HEART OF AMERICAN RELATIONS WITH THRKEY. END TEXT.

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